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DOGM
MINERALS PROGRAM
FILE COPY

July 10, 1989

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OK, LAC 1/1/1989

Mr. Scott Johnson,
Reclamation Engineer,
Mineral Resource Development
and Reclamation Program
Division of Oil, Gas & Mining
Department of Natural Resources
State of Utah
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RE: DOGM Permit Review, 1989
Amendment, Sever Lake
Project, M/027/008-89(1),
Millard County, Utah

Dear Mr. Johnson:

Per our telephone conversation of last week, enclosed are the corrected balance sheets for Crystal Peak Minerals Corporation for the time periods ending June 30, 1988 and March 31, 1989. The balance sheets were corrected by removing future production debt payable from the Total Current Liability column and placing that debt in a separate column.

Thank you again for your timely comment on our submittals.

Very truly yours,


A. John Davis

AJD/lh

cc: William V.H. Clarke (w/o enclosures)

Larry Sower

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CRYSTAL PEAK MINERALS CORPORATION

P.O. Box 3006
Houston, Texas 77253-3006
713/522-5720

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July 10, 1989

DIVISION OF
OIL, GAS AND MINING

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining

Dear Madam or Sir:

We have prepared the balance sheets of Crystal Peak Minerals Corporation as of June 30, 1988 and March 31, 1989.

In the opinion of management, the aforementioned balance sheets present fairly the financial position of Crystal Peak Minerals Corporation at June 30, 1988 and March 31, 1989 in conformity with generally accepted accounting principles applied on a consistent basis.

Sincerely,



S.J. Smith
Vice President & Treasurer

SJS:dc

Attachments

CRYSTAL PEAK MINERALS CORPORATION
BALANCE SHEETS
JUNE 30, 1988 and MARCH 31, 1989

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ASSETS	JUNE 30, 1988	MARCH 31, 1989
CURRENT ASSETS		
CASH	\$5,770	\$10,320
PREPAID EXPENSE	8,702	58,737
TOTAL CURRENT ASSETS	\$14,472	\$69,057
PROPERTY, PLANT, and EQUIPMENT LESS DEPRECIATION	\$4,021,507 56,995	\$4,806,182 87,684
	\$3,964,512	\$4,718,498
OTHER ASSETS AT COST	\$7,695	\$5,224
	\$3,986,679	\$4,792,779
	=====	=====
LIABILITIES and STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
ACCRUED EXPENSES	\$35,318	\$4,387
TOTAL CURRENT LIABILITIES	\$35,318	\$4,387
PRODUCTION DEBT PAYABLE	\$272,370	\$428,155
STOCKHOLDER'S EQUITY		
CAPITAL STOCK	\$3,620,000	\$4,285,600
STOCK WARRANTS PAYABLE	57,991	66,583
RETAINED EARNINGS	1,000	8,054
TOTAL STOCKHOLDER'S EQUITY	\$3,678,991	\$4,360,237
	\$3,986,679	\$4,792,779
	=====	=====

See accompanying notes to balance sheets

DECLERED

JUL 10 1989

CRYSTAL PEAK MINERALS CORPORATION

NOTES TO BALANCE SHEETS

BASIS OF ACCOUNTING

The company maintains its books on the accrual method of accounting in accordance with generally accepted accounting principles.

DEPRECIATION AND AMORTIZATION

Property, plant and equipment is depreciated and amortized using various methods over estimated useful lives.

WARRANTS PAYABLE

The company has agreements which provide for the construction of improvements and administrative and management services in exchange for stock. The stock to be issued in connection with these agreements is shown as warrants payable until such time as the stock is issued.

RETAINED EARNINGS

Retained earnings represents insignificant sales of product during the development phase of the project.